

TESTIMONY IN SUPORT OF LEGISLATIVE ACTION TO FACILITATE IRMA OPERATIONS

TESTIMONY BEFORE THE INSURANCE AND REAL ESTATE COMMITTEE OF THE CONNECTICUT GENERAL ASSEMBLY

HB – 5011

My name is Barbara Gilbert. I am the Town Manager of Rocky Hill and a member of the MIRMA Board of Directors since 2004 and I am currently MIRMA's Treasurer.

Rocky Hill joined MIRMA in 2003 realizing that there was the need to get better claims and risk control services than we were receiving from our incumbent workers compensation carrier. MIRMA has lived up to all of its selling points including a competitive quotation.

Unfortunately, due to a catastrophic loss or two each year as well as the Incurred But Not Reported added to the losses by the Actuaries, MIRMA fins itself in a deficit position. The MIRMA Board has elected to eliminate this deficit by assessing its 63 members. HB-5011 will allow these members to spread the payment of this assessment over several years. This will definitely be a help to Rocky Hill. Based on my conversations with other municipal officials, they all agree that it would help them to spread their assessment over a period of time.

In closing, it is important to Connecticut Municipalities and Local Public Agencies that there is more than one IRMA operating in the State. In order for an IRMA to be a success immediately it needs the same jump start that was given to the original IRMA. It would be a wonderful if the State could provide all IRMA's with a 15 year, interest free \$8.6 million dollar nest egg to protect it from any adversity. Unfortunately, with today's financial situation, we all know that this is not reality. However, allowing an IRMA to operate for its first 15 years of its existence without meeting the contingency reserve requirements immediately is a reality. HB-5011 is intended to do just that and this is why I am speaking in favor of this legislation.